

767 Fifth Avenue
New York, NY 10153-0119
+1 212 310 8000 tel
+1 212 310 8007 fax

Gary T. Holtzer
+1 (212) 310-8463
gary.holtzer@weil.com

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Via Email and ECF

Honorable Martin Glenn,
Chief United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Courtroom 523
New York, NY 10004-1408

Re: In re All Year Holdings Limited, Chapter 11 Case No. 21-12051 (MG)

Dear Judge Glenn:

We represent All Year Holdings Limited, as debtor and debtor in possession (the “**Parent Debtor**”) in the above-referenced chapter 11 case (the “**Chapter 11 Case**”). We submit this letter in advance of the upcoming status conference scheduled for March 29, 2022, at 2:00 p.m. (Prevailing Eastern Time) (the “**Hearing**”), to update the Court on, among other things, (i) the Parent Debtor’s continued progress and anticipated timeline with respect to the Investment Agreement (as defined below) and certain upcoming milestones and anticipated filings in the Chapter 11 Case and (ii) the status of each of the prepetition litigations involving the Parent Debtor. Both of these matters are discussed in further detail below.

The Investment Agreement and the Bid Protections Motion

As set forth in the Parent Debtor’s prior status letter [ECF No. 56] (the “**March 11 Letter**”), on March 11, 2022, with the approval of the joint provisional liquidators, the Parent Debtor entered into a definitive investment agreement (the “**Investment Agreement**”) with Paragraph Partners LLC (the “**Plan Investor**”) to acquire one hundred percent (100%) of the equity of the reorganized Parent Debtor (as reorganized, the “**Reorganized Debtor**”).¹ The Investment Agreement is to be implemented in the United States pursuant to a chapter 11 plan (the

¹ The Plan Investor is an affiliate of The Graph Group LLC and the Cammbeyes International Group, and is also affiliated with Taz Partners LLC, which has asserted a disputed claim against the Parent Debtor in the amount of \$37,870,000 in connection with a certain confession of judgment that was entered prior to the commencement of the Chapter 11 Case.

“Plan”). Both the Investment Agreement and the Plan remain subject to the approval of the courts in the British Virgin Islands and Israel, as necessary.

As previously set forth in the March 11 Letter, the Investment Agreement includes a break-up fee and an expense reimbursement (collectively, the “**Bid Protections**”). The Investment Agreement requires the Parent Debtor to file a motion with the Court seeking approval of the Bid Protections (the “**Bid Protections Motion**”) by no later than March 25, 2022. Accordingly, the Parent Debtor and its professionals, in conjunction with the Plan Investor and its counsel, are diligently working to finalize and file the Bid Protections Motion in advance of the March 25 deadline.

In addition to the Bid Protections Motion, the Parent Debtor and its professionals are working expeditiously to finalize a chapter 11 plan and supporting disclosure statement to implement the terms of the Investment Agreement, and hope to be in a position to file these documents with the Court in short order.

Prepetition Litigation Involving the Parent Debtor²

As requested by the Court at the February 14, 2022 status conference, the following is a summary of the status of each of the prepetition litigations involving the Parent Debtor:

- *All Year Holdings Limited individually and on behalf of Lofts on Devoe Residence LLC v. Abraham Greenhut, et al.* (Index No. 52871/2021): On November 9, 2021, the Parent Debtor filed an action in the Kings County Supreme Court of New York State (the “**Kings County Supreme Court**”) against Abraham Greenhut (“**Greenhut**”) and Devoe Residence LLC, an entity controlled by Greenhut (“**Devoe Residence**” and together with Greenhut, the “**Devoe Defendants**”), seeking to quiet title on a property located at 17 Devoe Street, Brooklyn, New York (the “**Property**”). The Property is owned by Lofts on Devoe LLC, a non-debtor entity whose membership interests are held 50% by the Parent Debtor and 50% by Greenhut. The complaint alleges that Greenhut executed a deed unilaterally transferring the property to Devoe Residence without authorization from the Parent Debtor. The parties are due to appear before the Kings County Supreme Court on April 13, 2022 for a hearing on the Devoe Defendants’ motion to dismiss. Koffsky Schwalb LLC (“**Koffsky Schwalb**”), which has been retained by the Parent Debtor as an ordinary course professional in the Chapter 11 Case [ECF No. 43], is representing the Parent Debtor in connection with the quiet title action.
- *Taz Partners LLC v. Yoel Goldman and All Year Holdings Limited* (Index No. 564/2021): On December 13, 2021, the Parent Debtor became aware of a \$37 million judgment entered against it in the Kings County Supreme Court on December 9, 2021, resulting from outstanding confessions of judgment allegedly executed by Yoel Goldman, the Parent Debtor’s sole economic shareholder. This action has been stayed

² On March 14, 2022, the Parent Debtor filed the motion [ECF No. 57] requesting an extension of the time for the Parent Debtor to file notices of removal of the civil actions and proceedings in state courts to which the Parent Debtor is a party (the “**Removal Motion**”). If any objections are timely filed and served, the Removal Motion will be heard at the Hearing.

as to the Parent Debtor. Koffsky Schwalb has been advising the Parent Debtor concerning this litigation.

- DC (TA) *Public Representatives (Registered NGO) v. All Year Holdings, et al.*, 15257-04-20 (January 15, 2019, updated April 16, 2020) (Isr.) and DC (TA) *Shachar Group LTD v. All Year Holdings, et al.*, 3325-12-20 (December 1, 2020) (Isr.): On January 15, 2019, Public Representatives (Registered NGO) filed a securities class action lawsuit against the Parent Debtor and certain of its former officers and directors in the Economic Division of the District Court of Tel Aviv-Yafo in Israel (the “**Israeli Court**” and the class action lawsuit, the “**Public Representatives Class Action**”). In addition to the Public Representatives Class Action, the Parent Debtor, along with certain of its former officers and directors, is a named defendant in a separate securities class action lawsuit filed by Shachar Group LTD in the Israeli Court on December 1, 2020 (the “**Shachar Group Class Action**” and, together with the Public Representatives Class Action, the “**Israeli Class Actions**”). The Israeli Class Actions were commenced by lead plaintiffs representing parties who purchased any series of bonds issued by the Parent Debtor between (i) June 1, 2018 and November 30, 2018 and (ii) July 1, 2020 and November 29, 2020. Each of the Israeli Class Actions is in its early stages and no class has been certified under applicable Israeli law in either case. Further, both Israeli Class Actions are currently stayed, and the Parent Debtor is due to file updates regarding the Parent Debtor’s debt restructuring efforts with the Israeli Court for the Public Representatives Class Action and Shachar Group Class Action by April 5, 2022 and July 10, 2022, respectively. Bartov & Co., an Israeli law firm retained as an ordinary course professional in the Chapter 11 Case [ECF No. 44, Ex. A], is representing the Parent Debtor in connection with the Israeli Class Actions.

We are available should the Court have any questions.

Respectfully submitted,

/s/ Gary T. Holtzer
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